The Conference Board™

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A Monthly Report from the Consumer Research Center **February 1992**

Consumer Confidence Survey™

January Results

Confidence Down Again

The measure of Consumer Confidence, which leveled off in December after registering sharp declines in the preceding two months, lost some ground again in January. The current Consumer Confidence Index (1985=100) reading is 50.4, a loss of some two points for the month. The public's assessment of prevailing business conditions remained at the depressed level registered in December but expectations, which had improved slightly at the end of last year, retreated in January.

Concerning current business conditions, only 6.4 percent of all respondents in January say that they are "good," 51 percent say that they are "bad." Both these figures are more negative than in the preceding month. On the question concerning the availability of jobs, only 5 percent say they are "plentiful," 47 percent say that they are "hard to get." These figures are not quite as weak as a month earlier.

In their expectations for the future, people are now somewhat more pessimistic than they were in the closing weeks of last year. In the latest survey, less than 19 percent of respondents believe that business conditions will be "better" in the next six months, while 20 percent fear that they will be "worse." Similarly, on the question of future jobs, only 13 percent now expect that there will be more employment opportunities six months hence, but 29 percent believe that there will be fewer. Again, the figures are slightly more negative than previously.

Buying plans are mixed. Intentions to purchase an automobile within the next six months are indicated by 6.7 percent of respondents, up from 5.9 percent. Interest in securing a home is indicated by about 3 percent of survey participants, the same number as previously. Intended major appliance purchases dropped to 26 percent from an earlier 29 percent.

The public continues to be uneasy about present conditions and uncertain about the future. Clearly, before there is any significant recovery, there must be a marked improvement in consumers' spirits and, hence, their willingness to spend.

As the recession continues, an increasingly large number of households are experiencing hardship. Close to one out of four report that someone in their household experienced an episode of unemployment over the past twelve months. The average duration of joblessness was roughly six months. Two out of five unemployed persons were without work for less than three months, one out of every three for nine months or more. Of all those who are now back in a new job, 45 percent are earning less money than they had in their previous position, 20 percent are earning more. Finally, roughly two-fifths of all households deferred making a major purchase in recent months because of the weak economy. When economic conditions begin to improve, we can expect this pent-up demand to come to market, providing additional thrust to the recovery.

Fabian Linden

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.
Percentage of all households (100%)

Business Employment Income

All series seasonally adjusted	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec(r)	1992 Jan(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	55.1	59.4	81.1	79.4	76.4	78.0	77.7	76.1	72.9	60.1	52.7	52.5	50.4
Present Situation	54.7	53.1	51.7	48.9	47.8	43.7	43.8	45.1	39.1	31.0	27.1	22.5	22.1
Expectations	55.3	63.6	100.7	99.7	95.5	100.9	100.3	96.8	95.4	79.5	69.7	72.6	69.2
Appraisal of Present Situation: Percent													
Business Conditions													
Good	11.1	11.7	11.6	11.7	11.8	10.7	12.0	12.1	11.2	9.3	9.6	7.2	6.4
Bad	34.4	33.3	34.2	35.7	37.2	38.8	37.3	37.4	39.7	40.7	48.4	46.8	50.9
Normal	54.5	55.0	54.2	52.6	51.0	50.5	50.7	50.5	49.1	50.0	42.0	46.0	42.7
Employment													
Jobs plentiful	11.4	10.0	10.4	9.4	9.8	8.7	7.8	8.6	7.2	5.5	5.1	4.3	4.9
Jobs not so plentiful	55.5	56.8	53.9	55.1	52.4	53.8	54.6	52.8	52.8	51.0	47.8	47.9	48.2
Jobs hard to get	33.1	33.2	35.7	35.5	37.8	37.5	37.6	38.6	40.0	43.5	47.1	47.8	46.9
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	11.8	14.4	27.7	25.2	24.4	27.7	24.4	25.3	23.0	18.9	17.0	19.1	18.5
Worse	28.1	24.3	10.6	9.4	11.3	9.6	9.5	10.2	10.8	14.0	19.3	19.0	19.9
Same	60.1	61.3	61.7	65.4	64.3	62.7	66.1	64.5	66.2	67.1	63.7	61.9	61.6
Employment													
More jobs	9.0	11.6	20.8	19.4	18.9	21.0	19.9	18.8	17.7	14.8	12.6	13.9	13.0
Fewer jobs	35.3	31.4	19.1	17.9	18.6	17.4	18.1	18.5	20.1	26.0	28.1	28.3	29.1
Same	55.7	57.0	60.1	62.7	62.5	61.6	62.0	62.7	62.2	59.2	59.3	57.8	57.9
Income													
Increase	19.8	20.9	23.3	20.7	21.1	20.0	23.0	20.6	23.6	21.3	19.3	21.5	18.5
Decrease	11.1	11.6	8.7	8.9	10.1	9.8	9.0	9.9	8.6	11.6	11.8	13.4	12.6
Same	69.1	67.5	68.0	70.4	68.8	70.2	68.0	69.5	67.8	67.1	68.9	65.1	68.9
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.0	7.5	6.6	7.7	6.9	6.2	6.4	6.5	7.4	7.5	6.6	5.9	6.7
New	3.0	3.7	3.3	4.0	3.2	3.1	4.0	3.5	3.4	3.2	2.6	3.0	2.4
Used	2.4	3.0	2.6	3.1	3.0	2.8	2.1	2.7	3.0	3.3	3.0	2.2	3.5
Uncertain	0.6	0.8	0.7	0.6	0.7	0.3	0.3	0.3	1.0	1.0	1.0	0.7	0.8
Home													
Yes	2.6	3.0	4.2	3.0	2.8	2.8	2.9	2.9	3.4	3.3	2.9	3.1	3.1
New	0.7	0.8	1.1	0.8	0.9	0.6	0.5	0.7	0.8	0.6	0.8	0.7	0.6
Lived in	1.3	1.5	2.1	1.5	1.4	1.6	2.0	1.4	1.7	1.9	1.5	1.6	1.8
Uncertain	0.6	0.7	1.0	0.7	0.5	0.6	0.4	0.8	0.9	0.8	0.6	0.8	0.7
Major appliances													
Total plans	27.4	28.0	32.5	27.8	26.9	24.7	27.9	29.5	31.6	28.0	29.4	28.6	26.1
Refrigerator	4.4	4.9	5.3	3.6	4.0	3.5	4.0	4.6	5.9	4.2	4.4	4.2	4.1
Washing machine	3.9	4.3	4.6	3.8	3.2	3.5	4.4	3.7	3.4	4.3	3.7	4.0	3.5
TV Set	6.9	6.6	8.5	6.7	7.0	5.0	6.4	7.7	7.5	6.9	7.0	7.2	6.5
Vacuum Cleaner	5.0	4.6	5.5	5.3	5.2	4.8	4.4	5.3	6.0	4.7	5.9	5.2	4.9
Range	2.7	2.9	2.9	2.7	2.7	2.8	2.9	2.4	2.8	3.1	2.7	2.7	2.2
Clothes dryer	2.9	3.1	4.0	3.8	3.2	3.4	3.2	3.4	3.1	3.2	3.0	3.6	2.9
Air conditioner	1.6	1.6	1.7	1.9	1.6	1.7	2.6	2.4	2.9	1.6	2.7	1.7	2.0
Carpet	6.2	5.7	6.8	5.9	6.7	6.3	6.7	5.6	6.7	5.2	5.6	5.1	6.0
Vacation Intended Within Six Months: Percent													
Vacation Intended		45.8		47.3		45.9		46.6		49.1		48.2	
Destination													
U.S.		41.0		41.8		40.6		40.6		42.7		42.8	
Foreign country		6.4		7.1		6.4		7.8		7.8		6.8	
Means of Travel													
Automobile		28.5		28.4		28.2		28.2		30.8		28.1	
Airplane		16.3		17.8		17.7		17.2		17.0		17.1	
Other		3.9		4.4		3.0		4.4		3.6		4.4	

(p)—preliminary (r)—revised

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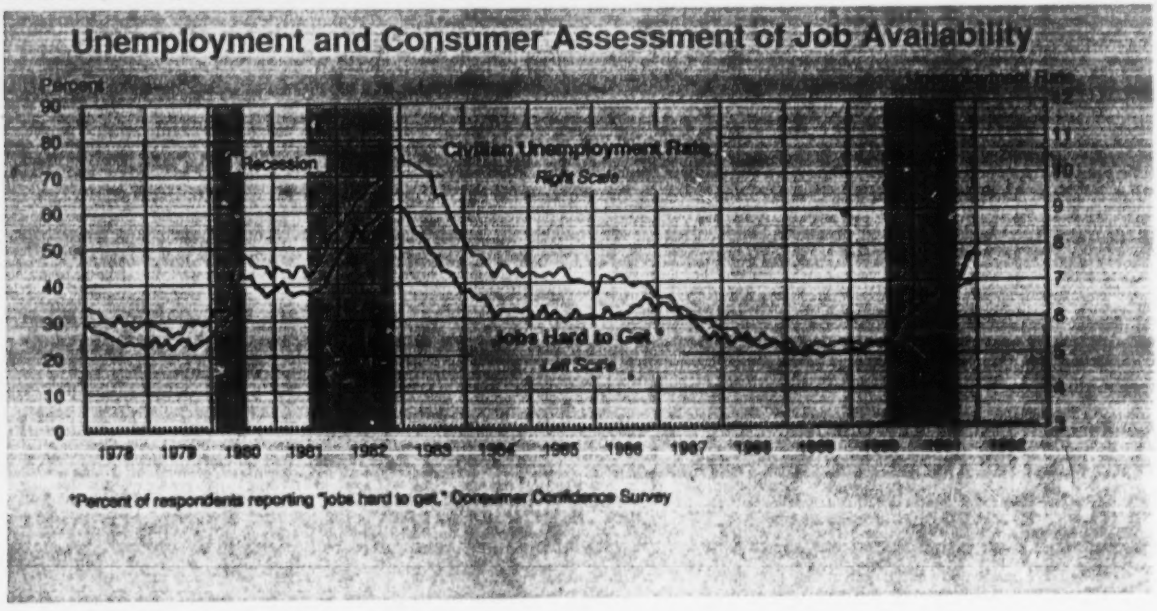
CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985=100	1991 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec(r)	1992 Jan(p)	AVERAGE: Nov., Dec., Jan. 1990/91	1991/92	Percent Change
NEW ENGLAND																
Consumer Confidence Index	29.6	37.3	53.5	52.1	49.8	51.2	47.9	57.6	51.2	37.2	33.4	30.5	26.4	27.6	30.1	9.1
Present Situation	6.5	3.6	3.1	5.5	6.5	4.2	5.0	7.5	4.6	2.0	3.3	3.8	0.9	8.7	2.6	-69.7
Expectations	45.0	59.8	87.1	83.2	78.7	82.5	76.6	91.1	82.3	60.7	53.5	48.3	43.4	40.2	48.4	20.4
MIDDLE ATLANTIC																
Consumer Confidence Index	46.2	48.9	72.6	66.0	65.3	65.5	60.1	61.7	61.7	47.1	37.0	39.4	40.9	47.1	39.1	-17.0
Present Situation	38.4	33.6	33.3	27.5	36.1	25.4	25.0	24.7	21.6	19.8	15.8	10.8	11.5	46.5	12.7	-72.7
Expectations	51.4	59.1	98.8	91.6	84.8	92.3	83.5	86.3	88.5	65.3	51.2	58.4	60.5	47.5	56.7	19.3
EAST NORTH CENTRAL																
Consumer Confidence Index	56.4	55.0	80.8	77.6	72.6	77.9	83.3	72.6	72.5	67.7	54.4	55.3	52.9	61.0	54.2	-11.1
Present Situation	66.7	49.9	53.4	52.7	47.4	51.8	54.2	49.9	44.6	39.8	32.3	25.8	25.6	78.2	27.9	-64.4
Expectations	49.5	58.5	99.0	94.2	89.4	95.3	102.7	87.7	91.2	86.4	69.2	75.0	71.2	49.5	71.8	45.0
WEST NORTH CENTRAL																
Consumer Confidence Index	61.1	54.5	76.5	71.6	73.7	74.5	73.4	70.4	74.5	68.2	52.3	51.9	60.5	58.8	54.9	-6.6
Present Situation	65.7	56.2	53.6	51.5	60.7	48.3	50.3	52.6	57.9	47.8	42.8	36.3	32.4	68.9	37.1	-46.1
Expectations	58.0	53.3	91.9	85.0	82.4	92.0	88.8	82.3	85.6	81.8	58.7	62.3	79.3	52.1	66.8	28.2
SOUTH ATLANTIC																
Consumer Confidence Index	59.2	69.9	86.0	85.8	84.4	86.4	85.8	84.0	84.6	68.4	60.3	53.6	57.3	64.0	57.1	-10.8
Present Situation	63.4	59.3	44.5	55.3	47.4	51.1	47.3	50.7	53.9	34.6	29.8	22.5	20.8	75.2	24.3	-67.6
Expectations	56.4	77.0	113.7	106.2	109.1	109.9	111.5	106.2	105.0	91.0	80.6	74.4	81.7	56.6	78.9	39.5
EAST SOUTH CENTRAL																
Consumer Confidence Index	50.7	58.5	85.9	77.1	61.7	73.2	79.5	72.9	67.7	60.7	60.8	61.0	56.8	54.5	59.5	9.2
Present Situation	39.2	50.4	45.8	39.7	37.5	42.6	44.7	50.8	32.0	40.3	40.6	42.5	31.5	50.0	38.2	-23.6
Expectations	58.4	63.9	112.6	102.1	77.9	93.7	102.7	87.6	91.6	74.3	74.3	73.3	73.7	57.5	73.8	28.3
WEST SOUTH CENTRAL																
Consumer Confidence Index	60.3	66.5	84.3	75.8	75.0	76.3	67.5	65.4	73.7	60.8	60.7	49.8	55.9	67.3	55.5	-17.6
Present Situation	42.1	40.0	45.7	43.3	43.4	40.4	34.7	36.7	39.6	30.1	32.2	22.4	24.7	47.8	26.4	-44.7
Expectations	72.4	84.2	110.0	97.5	92.8	100.2	89.4	84.5	96.5	81.2	79.8	68.0	76.7	80.4	74.8	-6.9
MOUNTAIN																
Consumer Confidence Index	67.9	65.8	83.2	98.1	81.5	95.3	86.3	94.2	86.8	84.0	68.2	62.4	63.0	71.2	64.5	-9.3
Present Situation	51.4	38.4	58.9	58.8	48.9	57.9	61.7	53.3	58.4	67.0	35.3	38.0	38.1	56.9	37.1	-34.8
Expectations	78.9	84.0	99.5	124.3	103.3	120.2	102.7	121.5	105.8	95.3	90.2	78.7	79.6	80.7	82.8	2.6
PACIFIC																
Consumer Confidence Index	70.3	84.9	101.1	95.8	91.0	89.5	90.6	87.2	81.2	74.0	62.9	53.9	56.0	80.8	57.6	-28.7
Present Situation	78.1	94.3	85.8	72.0	82.4	77.5	73.4	72.9	62.6	53.8	39.4	31.4	22.8	108.5	31.2	-71.2
Expectations	65.1	78.6	111.3	111.6	96.8	97.5	102.1	96.8	93.5	87.4	78.6	68.9	78.1	62.3	75.2	20.7

* Percent Change: Average of last three months shown as compared with same period year. Regional data are not adjusted for seasonal variation.



Inflation Interest Rates Stock Prices

Not Seasonally Adjusted	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec(r)*	*Jan(p)*
	1991												*1992*
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	5.5	5.2	4.7	4.8	4.7	4.5	4.8	4.7	4.6	4.7	4.7	4.8	4.7
Interest Rates													
Higher	33.4	34.4	42.8	45.5	35.3	45.9	50.7	46.9	41.8	37.0	34.0	33.2	30.2
Same	20.8	22.2	25.3	27.9	29.2	29.6	27.9	27.5	30.2	27.3	25.2	27.7	30.7
Lower	45.8	43.4	31.9	26.6	35.5	24.5	21.4	25.6	28.0	35.7	40.8	39.1	39.1
Stock Prices													
Increase	26.3	37.8	46.6	42.8	41.7	43.7	41.8	39.3	39.5	35.8	33.9	29.9	41.0
Same	29.9	31.1	31.7	35.1	36.5	34.0	34.8	36.1	37.0	37.5	35.9	34.1	34.3
Decrease	43.8	31.1	21.7	22.1	21.8	22.3	23.4	24.6	23.5	26.7	30.2	36.0	24.7

All series seasonally adjusted	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sep.*	*Oct.*	*Nov(r)*	*Dec(r)*	*Jan(p)*	*3 mos. Percent Change**
	1991												*1992*	
Consumer Confidence Index, 1985 = 100														
AGE OF HOUSEHOLD HEAD														
Under 35	66.5	65.2	90.6	92.9	92.7	87.7	91.0	92.4	86.7	74.0	65.0	64.1	61.5	-24.7
35-54	56.8	62.5	82.0	77.7	77.9	78.5	79.9	77.1	70.2	58.8	52.4	53.6	47.7	-25.4
55 and over	42.5	50.0	69.4	70.0	63.2	67.9	64.9	61.7	61.6	48.4	42.7	42.6	44.0	-24.7
HOUSEHOLD INCOME														
Under $15,000	41.4	47.0	60.3	62.1	57.8	53.3	58.2	51.7	53.1	45.1	33.0	37.8	33.9	-30.1
$15,000-24,999	49.4	54.9	72.1	76.5	75.4	71.0	67.9	78.4	69.3	56.2	51.4	48.4	44.5	-29.2
$25,000-34,999	59.3	61.9	85.3	79.5	83.1	81.6	80.6	80.4	73.5	57.0	53.3	52.1	51.2	-25.8
$35,000-49,999	63.3	64.8	87.9	83.4	77.9	88.7	85.9	81.4	78.4	69.5	58.2	55.1	53.5	-27.2
$50,000 and over	64.6	69.0	98.2	94.9	89.5	93.7	93.8	89.0	84.4	70.0	65.1	64.4	64.2	-20.4

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.